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INFO AMEMBASSY SEOUL  
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C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 04161

E.O. 12356:DECL:OADR

TAGS: PREL UR JA US

SUBJECT: U.S.-JAPAN RELATIONS: THE SOVIET PERSPECTIVE

11. CONFIDENTIAL - ENTIRE TEXT.

12. SUMMARY: THE ORIENTAL INSTITUTE'S TOP JAPAN EXPERT, CONSTANTIN SARKISOV, THINKS UNCERTAINTY IN THE U.S.-JAPAN RELATIONSHIP WILL CONTINUE AND WILL EVENTUALLY FORCE A STRUCTURAL 'REMODELLING' OF THE RELATIONSHIP. THE U.S. WILL HAVE TO RECOGNIZE THE INEVITABILITY OF JAPAN'S BECOMING THE WORLD'S LEADING ECONOMIC POWER. THE CHANGES IN U.S.- JAPAN RELATIONS OFFER OPPORTUNITIES FOR THE U.S. AND SOVIETS TO COOPERATE IN CHANNELING JAPAN INTO PRODUCTIVE ENDEAVORS AND MAKING SURE JAPAN DOES NOT GET "OUT FRONT" POLITICALLY OR MILITARILY. SINCE THE SOVIETS HAVE LITTLE ECONOMIC INFLUENCE IN THE REGION, THE U.S. WILL NEED TO TAKE THE LEAD IN FINDING AN ECONOMIC ROLE FOR JAPAN THAT WILL KEEP IT HAPPY. "DON'T ASK THEM," HE ADVISED. "PUSH THEM." THE COROLLARY, SARKISOV SUGGESTED, IS THAT IT IS IN SOVIET INTERESTS TO MOVE THINGS ALONG IN THE RIGHT DIRECTION MILITARILY, BY ACTING TO FURTHER DIMINISH THE ALREADY SHRINKING PERCEPTION IN JAPAN OF THE "SOVIET THREAT." END SUMMARY.

13. WORLD'S LEADING ECONOMIC POWER

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CONSTANTIN SARKISOV, THE ORIENTAL INSTITUTE'S LEADING JAPAN EXPERT, PROVIDED POLOFF WITH HIS VIEWS ON U.S. - JAPAN RELATIONS AND ON HOW THE U.S. AND SOVIET UNION COULD COOPERATE IN THE FUTURE ON JAPAN POLICY. IN A JANUARY 19 MEETING WITH POLOFF, SARKISOV SAID HE SAW CONSIDERABLE TENSION IN U.S. - JAPAN RELATIONS. CURRENT UNCERTAINTIES ON BOTH SIDES WOULD EVENTUALLY FORCE A "REMODELLING" OF THE CURRENT RELATIONSHIP, WHICH HE THOUGHT WAS OUTDATED. THE U.S. NEEDED TO COME TO GRIPS WITH THE FACT THAT IN THE NEXT CENTURY JAPAN WOULD BE THE WORLD'S LEADING ECONOMIC POWER. IN TEN YEARS, JAPAN'S GNP WOULD BE 75 PERCENT OF U.S. GNP--OR MORE, HE SAID.

14. A MODEL RELATIONSHIP

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SARKISOV SAID THE INTERDEPENDENCE BETWEEN THE TWO POWERS WOULD CONTINUE AND THE U.S. - JAPAN RELATIONSHIP SHOULD PROVE TO BE A MODEL OF FUTURE RELATIONSHIPS IN THE WORLD. THERE WOULD BE FRICTION IN THE PROCESS BUT THE RELATIONSHIP WOULD SURVIVE INTACT ALBEIT WITH ALTERED SECURITY AND ECONOMIC DIMENSIONS. THE U.S. WOULD NEED TO ACTIVELY SEEK OUT A LEADING ROLE FOR JAPAN ECONOMICALLY--NOT AS A BILL PAYER OR DISCOUNT BANK BUT AS THE PREDOMINANT FINANCER AND DECISIONMAKER IN MULTILATERAL ECONOMIC PROJECTS. SARKISOV SAID THE U.S. SHOULD NOT NEGOTIATE THIS WITH JAPAN, BUT SHOULD PUSH JAPAN INTO THE ROLE, WHICH HE FELT WOULD SATISFY THE JAPANESE "EGO" AND KEEP TOKYO FROM CONCENTRATING ON POLITICAL OR STRATEGIC ISSUES.

15. THE SOVIETS, SARKISOV SAID, DID NOT SEE AN ECONOMIC THREAT FROM JAPAN. THERE WAS AN ECONOMIC MISMATCH. THE SOVIETS DID, HOWEVER, FEAR A MILITARY THREAT FROM JAPAN SHOULD JAPANESE MILITARY POWER CONTINUE TO GROW. IT HAS NOT IN SOVIET OR U.S. INTERESTS TO SEE JAPAN BECOME A WORLD POLITICAL OR

STRATEGIC POWER. TOGETHER, THE U.S. AND SOVIET UNION COULD WORK TO ENSURE THIS DID NOT HAPPEN. MANY SOVIETS CONSIDERED THE U.S. PRESENCE IN JAPAN AN ANCHOR RESTRAINING JAPANESE MILITARY POWER, SAID SARKISOV, AND WOULD LIKE TO SEE IT CONTINUE INDEFINITELY. BUT THE SIZE OF THE U.S. PRESENCE NEEDED TO BE REDUCED. U.S. REDUCTIONS--OR EVEN U.S. WILLINGNESS TO TALK SERIOUSLY ABOUT REDUCTIONS--COULD OPEN THE WAY FOR SOVIET MILITARY REDUCTIONS IN THE REGION. SOVIET REDUCTIONS WOULD FURTHER REDUCE THE PERCEPTION IN JAPAN OF A SOVIET THREAT. EVEN NOW, PEOPLE IN JAPAN DID NOT FEEL AS THREATENED BY THE SOVIET UNION AS THEY HAD TWO YEARS AGO, SARKISOV SAID.

16. COMMENT: SARKISOV'S COMMENTS ABOUT THE COMMONALITY OF U.S. AND SOVIET INTERESTS VIS-A-VIS JAPAN ARE PART OF A BROADER SOVIET ARGUMENT WE HAVE BEEN HEARING MUCH OF RECENTLY IN SUPPORT OF SOVIET ARMS CONTROL OBJECTIVES. THE BASIC THRUST IS THAT, TO OPEN THE POSSIBILITIES FOR MUTUALLY BENEFICIAL COOPERATION IN NORTHEAST ASIA IN WHICH THE U.S., JAPAN AND THE SOVIET UNION ALL PLAY CONSTRUCTIVE ROLES, THE U.S. NEEDS TO BEGIN THE ARMS CONTROL PROCESS. THE RIGHT U.S. GESTURE WOULD OPEN THE WAY FOR SOVIET FORCE REDUCTIONS WHICH WOULD LESSEN JAPANESE (AND KOREAN) SECURITY CONCERNS. A CONTINUED U.S. MILITARY PRESENCE IN JAPAN IS ALSO PART OF THE ARGUMENT. OFFICIAL SOVIETS ARE CLAIMING THAT THE SOVIET UNION HAS DONE WHAT IT CAN TO INITIATE THE PROCESS AND CANNOT AFFORD TO MAKE LARGE UNILATERAL REDUCTIONS.

17. NORTHERN TERRITORIES  
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SARKISOV NOTED THAT MOSCOW WAS TRYING TO ESTABLISH MILITARY-TO-MILITARY CONTACTS. THE JAPANESE WERE THINKING ABOUT IT BUT WERE STILL HESITANT "BECAUSE THEY WANT TO DO IT ONLY WITH YOU--AND WITHOUT YOUR OK THEY WON'T." SARKISOV THOUGHT A MOMENT, THEN ADDED, "ALSO, THEY WANT A CONCESSION ON THE NORTHERN TERRITORIES." BUT THERE WOULD BE NO PROGRESS ON THE NORTHERN TERRITORIES ISSUE WHEN SHEVARDNADZE GOES TO TOKYO IN MARCH, SARKISOV PREDICTED. GROWING NATIONALISM MADE IT IMPOSSIBLE FOR THE SOVIETS TO CONCEDE ON ETOROFU AND KUNASHIRI. THE EMERGENCE OF THE SUPREME SOVIET FURTHER COMPLICATED THE ISSUE. AZERBAIDZHAN AND THE BALTICS WERE TOO CLOSELY CONNECTED TO THE NORTHERN TERRITORIES AND IT WOULD THEREFORE BE "ABSOLUTELY IMPOSSIBLE" TO GET A DEAL THROUGH THE SUPREME SOVIET. MOSCOW WAS PREPARED TO OFFER JOINT ECONOMIC ACTIVITY AND NO-VISA TRAVEL TO THE ISLANDS. THE IDEA OF SELLING THEM TO JAPAN WAS A NON-STARTER. FOR MOSCOW, IT WAS SIMPLY SAFER TO HOLD ON TO THE ISLANDS THAN TO OPEN POTENTIALLY EXPLOSIVE NEGOTIATIONS OR SELL THEM. SHEVARDNADZE MIGHT, HOWEVER, REFORMULATE THE ISSUE IN MARCH SO THAT MOSCOW RECOGNIZED THE NORTHERN TERRITORIES SPECIFICALLY AS AN UNRESOLVED PROBLEM BETWEEN THE TWO COUNTRIES.

18. COMMENT: ON THE NORTHERN TERRITORIES, RECENT COMMENTS MADE BY A NUMBER OF SOVIETS, INCLUDING GORBACHEV HIMSELF, ARE BEGINNING TO DEVELOP INTO A VAGUE PATTERN CENTERED ON SOVIET AIR POWER IN THE NORTHERN TERRITORIES. ORIENTAL INSTITUTE ACTING DIRECTOR CHUFRIN POINTEDLY TOLD VISITING SENATOR WIRTH RECENTLY THAT U.S. WILLINGNESS TO START TALKING ABOUT ARMS CONTROL WOULD PROMPT SOVIET AIR FORCE REDUCTIONS IN THE REGION. GORBACHEV TOLD ABE THAT JAPANESE WERE NOT ALLOWED TO MAKE GRAVE VISITS TO ETOROFU IN THE PAST BECAUSE OF MILITARY INSTALLATIONS THERE, BUT THAT THE SOVIETS WOULD "SEE WHAT THEY COULD DO" ABOUT THE PROBLEM. IMEMO JAPAN EXPERT KUNADZE TOLD POLOFF GORBACHEV COULD NOT AFFORD AN UNSUCCESSFUL FOREIGN TRIP. WE DO NOT THINK ANY

DECISIONS HAVE BEEN MADE ON HOW TO MOVE THE NORTHERN TERRITORIES PROBLEM FORWARD, OR EVEN WHETHER IT SHOULD CONTINUE TO BE HANDLED AS A BILATERAL PROBLEM OR AS AN EAST-WEST ISSUE. SOVIET DOMESTIC CONCERNS WOULD ARGUE FOR A CONTINUED BILATERAL APPROACH, WHILE SOVIET ARMS CONTROL OBJECTIVES COULD CLEARLY BENEFIT FROM ITS TREATMENT AS AN EAST-WEST ISSUE. WE KNOW THAT HIGH LEVEL ATTENTION IS NOT FOCUSED ON THE NORTHERN TERRITORIES. BUT IT WILL INCREASE AS THE TIME FOR GORBACHEV'S VISIT NEARS, AND THOSE TO WHOM THE LEADERSHIP TURNS FOR ANSWERS AT THAT TIME ARE NOW IN THE PROCESS OF SEEING WHAT WILL FLY--AND WHAT WON'T.

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